

BLOGGERS ROUNDTABLE CONFERENCE CALL WITH
AMBASSADOR DANIEL SPECKHARD

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THIS IS A RUSH TRANSCRIPT.

STAFF: Ambassador, I'd like to welcome you to the bloggers round table here at the Department of Defense. And we're pleased to be able to give you the opportunity to talk of the progress in Iraq, and the things that are happening over there now. Do you have an opening statement, sir?

AMB. SPECKHARD: Well, just I thought it was best to focus on what your colleagues there are interested in. It's been a pleasure here -- I can say that -- as the deputy chief of mission here. I have been here 21 months. The last nine or so have been as the deputy chief of mission, and then the first 12 months was as the director of the Iraq reconstruction management organization, and had come here from five years at NATO, two years as the head of policy planning there on the international staff for the secretary-general, and three years as the deputy assistant secretary-general of political affairs. So I

had some engagement with our military colleagues in the past as well, before coming here.

That is the opening, and I welcome questions or whatever you'd like to talk about. We can talk about the progress. I can talk about the challenges. We can go in whatever direction you'd like.

STAFF: All right, sir. Appreciate that very much.

David Axe (sp), you were the first on line, so if you would care to start us off.

Q Great. Ambassador, thanks for taking the time. Really appreciate it.

So can you start out by briefing us on the state of reconstruction efforts in Baghdad? And then I want to follow up that with a question about how that ties into security operations.

AMB. SPECKHARD: Sure. On the reconstruction piece, I can give you some specific examples and some overall issues. I'll have -- we can also send you some more details in terms of the numbers and dollars. But what I can say is we've been working very closely with the Iraqi government over the last six months really, to enhance their ability to get essential services inside Baghdad, and that is starting to have some effect.

For instance, at the end of the year, with the exceptional circumstances, we convinced the government of Iraq to roll over money that had not been contracted by the end of the year. Normally in the Iraqi system you use it or lose it, and it has to be all the way to contract. They rolled over about \$330 million for Baghdad of their funding that had been allocated in the budget, and they now have one-half of that contracted and the other half has been identified for projects and is on its way to be contracting. So what we see is a new focus and ability by the government of Iraq to try to get some of their funding and programs in place.

In addition to that, of course, we have our own programs on reconstruction and on assistance. And cases of things that have just happened recently was Sadr City, we have finished an electrical distribution network serving 120,000 citizens. We have another 4 kilometer electrical feeder line serving 100,000. We have rehabilitated a water network in Karrada peninsula that serves 100,000. And have started 25 new projects in the last four weeks, including water repair lines in Mansour, which is an area that, as you may know, it's been a little bit difficult; and sewage (lift ?) repairs in Karkh. We've renovated two schools in Sadr City.

So a lot's going on here. That's in addition to the overall strategy. That's sort of just the reconstruction piece. What you may have heard is that we're focusing on enhancing our civilian support to the military as they do this surge. So we're going to add six new embedded Provincial Reconstruction Teams with six brigades here to get closer to the community level as we do not just the reconstruction, but also the political

engagement and supporting reconciliation at the community level, and on the economic side as well, programs for micro-enterprise lending, small projects for our community-based projects in all the areas of essential services. As well as we're doing a lot with the Ministry of Health to try to get the health system improved. The prime minister has made this a priority, and I guess this is another sign of something that I've been pleased to see, is that he has actually directed his military to take back the hospitals from what have been a significant degree of militia infiltration. And in the last several months, they've already gone after two hospitals to clear out any militia remnants in those hospitals.

They've also been working to get the supplies, medical supplies that are in warehouses that are sometimes in dangerous neighborhoods, to get those neighborhoods stabilized and actually used. The security forces help ensure and support convoys to get medical supplies to hospitals and health clinics. So I could go on for a long time, but I wanted to give you an extent of that.

I guess the last thing I should say is we are focusing on employment as well, working with the military on this. They see it as a key element. We have to get businesses back up and running, employment generated to help dry the swamp, so to speak, in the sense of the -- that's the wrong word -- it's more -- dry up the -- what am I trying to say? -- it's more of the context of --

Q The unemployment that fuels recruitment for --

AMB. SPECKHARD: Basically, yeah. I've told you many times. And excuse me for running off track there. But the point being that if we can't get these young people to work, if you can't get them opportunities for jobs and so forth, they'll be attractive recruits for militias and insurgents.

And so we have a community stabilization program that focuses on vocational training. But it's vocational training very closely linked to what are the needs in the communities, which are oftentimes construction, auto repair, durable goods repair, kind of practical functions that gives people a skill set that can quickly get them income from that and then marries it up with as well loans to small businesses so that somebody can actually start hiring these people and puts that together.

What's also unique about this here is and what I'm watching is here -- first, (it's ?) in a very difficult environment, but our USAID folks who are doing this kind of work are really working at the local level with the brigades in identifying these opportunities. So this isn't something where it's putting (bad fears ?) at the main headquarters with us dreaming up great plans but disconnected to the reality on the ground -- (audio break) -- pretty well.

Q Is this at all inspired or informed by the British Operation Sinbad back in -- you know, a few months back in Basra?

AMB. SPECKHARD: No. I would say this has been -- we have been working on this since last summer, since I was here with the initial Baghdad Security Plan effort. Because as you recall, our first effort toward the Baghdad Security Plan was focused on creating specific areas.

We'd go area by area, and we'd call them focus areas. And we had -- matching the civilian piece with the military security piece. So we had already started to put in place that kind of effort.

What we felt here in the second time around is that we needed more -- a surge in terms of the teams that were working on this -- that's why we're adding six additional civilian teams to support the brigade -- and that we needed to be more flexible on how we approached this -- for instance, in addition to what we were doing in those focus areas, now looking at economic zones, essentially, where you try to find where is the business and employment activities happening, how do you then secure and protect that to generate more business. And that may be not the same neighborhood that you were doing the clearing in on the military side.

So we've learned some from what we've been doing in the past. But this has been in the works for some time.

Q Thank you very much.

STAFF: Okay. Andrew.

Q Yeah. Mr. Ambassador, good afternoon. You and I met briefly last month at the -- (inaudible) -- ceremony back over in Fallujah.

AMB. SPECKHARD: I remember. It's a pleasure.

Q Great. It's good to speak to you again, sir.

I want to ask you, please, about Prime Minister Maliki and the future of Iraq. This morning on MSNBC, Richard Engel was talking on how the Sunnis in Anbar are feeling increasingly marginalized and how this could end up as some sort of failed mini-state in the middle of the country.

When I was at -- (inaudible) -- before, General Zilmer told me that he agreed with Sheikh Ahmad from the Sons of Anbar about the lack of support from Baghdad and how the Sunnis kind of felt like they were stuck out there on their own.

Is the prime minister cognizant of any of this? I mean, isn't it important that the reconstruction and unity process -- that the Sunnis be more deeply involved? Or if not, do you see this country breaking up in three different regions?

AMB. SPECKHARD: Well, I do think the prime minister is cognizant of this now. And I don't know if you saw -- you may have -- in the news where he went out and made his first visit to Anbar -- very significant event -- sat down and met with all the tribal sheikhs, as well as with the provincial government leaders, which in and of itself is interesting --

Q It was in the news, but on a very superficial level, unfortunately.

AMB. SPECKHARD: I guess I wouldn't describe it as that. I mean, this is --

Q No, no, the newspapers -- I'm agreeing it is, but the newspapers --

AMB. SPECKHARD: Oh, okay. Okay. Yeah, this was -- this is very significant.

Q Oh, I thought so, too. Okay.

AMB. SPECKHARD: (Off mike) -- minister to go out to Anbar, in the heart of Anbar --

Q Yeah.

AMB. SPECKHARD: -- and say, "We're here. We want to make this work. We want to support you, and we want to bring the tribal sheikhs into this process to make it successful," was a huge political step and a recognition.

What I see is that the prime minister actually is very aware of this, and that's what's helped this, as well as they see the changed dynamic in Anbar, with the tribal sheikhs having started to switch allegiance out there, where many of them had been supporting the insurgency, having come to conclusion that al Qaeda is the true enemy and doesn't have the interests of Anbar or the Iraqis at heart. And they have started coming together, providing police recruits, providing army recruits, emergency battalions to help support stability there.

Most recently I think you saw the tribal sheikhs in one town came together and successfully kept a -- was it a police station, I believe, a police station from being overrun by insurgents and killing 4 heavily armed terrorists.

So this is pretty significant stuff that's going to, I think, help out in Anbar. There's still going to be a challenge, given the resilience of the terrorists and al Qaeda out there. But it's a fundamental shift in the political groundwork out there that's going to have an effect on the security situation as well.

Prime Minister Maliki sees this as important, and I think this is a renewed interest on his part because they still -- he still believes that a significant part of the challenge for the security in Baghdad is coming through the infiltration of these VBIEDs and car bombs, and so forth. And he believes there's essentially a corridor coming from Syria,

and if you can switch the Anbar dynamic there so that the resistance to those terrorists and insurgents is met in that heartland, he thinks it will have an overall significant impact on the security of the country and Baghdad. So I do see a change in his attitude towards this.

Q Just to follow up, is that attitude change followed by support by the people in his government, do you think?

AMB. SPECKHARD: I would say -- you know, when you talk about "people" it's a very broad government, as you know. But what we do see happening is the minister of finance, for instance, releasing funds for Anbar; the minister of electricity focusing on following up on the prime minister's visit there, the issue of electrical generation -- the prime minister promised to do something about that.

So I do see a recognition by broader than just the prime minister that this would be very significant if they could change the dynamic. And again, I think what's been the turning of a significant number of the tribal sheikhs here has changed the understanding of the potential for a turnaround there, and that's provided, I think, some optimism for some of the government officials that perhaps were more skeptical in the past.

Q Great. Thank you.

STAFF: All right. Just wanted to check and see if anyone else has joined us this morning. And if not, then I'd like to open it up.

David, do you have any questions?

Q Good morning. Yeah, absolutely. This is like a private conference. Thank you.

STAFF: Sure.

Q Ambassador, what can you tell us about -- related to the surge, about any diplomatic efforts -- "diplomatic" is probably the wrong word, but efforts to liase, in a sense, with the Mahdi Army and other Shi'ite militias to create an environment that is, you know, amenable to surge operations?

AMB. SPECKHARD: Well, I think essentially the way we have focused that effort is in getting the prime minister to make clear what the ground rules were before this Baghdad Security Plan began, and that is that there was no room for militias, there was no room for any unarmed groups, and that the monopoly on the use of force had to be in the hands of the government, and that those that ignored that warning would be dealt with severely and that he was going to do that across the board evenly, whether it be Sunnis or Shi'a. Then that combined with the surge of both the U.S. forces and the Iraqi forces into Baghdad had, I think, a chilling effect on those militias. And what we've seen

as a result is that they have -- in large part, many of them either dissolved or gone -- suspended their activities or moved out of Baghdad.

In terms of our own activities, I don't want to say too much here in this kind of thing, but I can highlight that what we're focusing on is reaching the community leaders. Some of those community leaders do have ties to the militias, but the way we have dealt with this mostly is to deal with the neighborhood advisory councils or the district advisory councils or local and religious leaders or mayors of our communities and so forth. And that -- what we have essentially done is committed to certain principles in how we intend to carry this process out, and that in turn, I think, has helped the process (go ?) well.

As you know, maybe people have talked to you about the "soft knock" approach, and that the idea that you go in and instead of, you know, knocking down the door with force and moving in real quickly, you actually knock on the doors and do it in this more gentle approach.

That has had, at least in these initial stages, a very positive result with many of the community leaders, and that's helped in -- ?? on dealing with some of these militias.

Q Okay, a follow-up question. I want to tie this back into reconstruction. From your point of view, have you observed on the part of the Iraqi government, as a result of their sort of increased efforts here with the surge, an improved ability to manage this sort of complex interplay between diplomacy, reconstruction and security? And what I want to find out is, what does that bode for the future as the Iraqi government becomes increasingly independent from U.S. efforts?

AMB. SPECKHARD: I would guess it's probably similar to where we are on the military side, which is it's too early to draw strong conclusions, but there are encouraging signs. What we've seen -- I've seen in the last three months is -- last fall working on the Baghdad security plan, the prime minister was focused entirely on the security issues and he left it to the deputy prime minister and others to handle the issues of the central services, or the individuals ministers, and there wasn't an integrated approach in his approach to this.

Now he has as part of this plan created six different committees that focus on different pieces of the non-security elements of the Baghdad security plan, from the economic development issues to services to communications outreach to the population, to building popular support at the local communities, which is sort of a reference to how do you make sure the communities have an avenue back in to get feedback into the system, highlight where both the terrorists and the problems are, but also highlight if there's -- (inaudible).

And he meets every Friday, and it's a three-hour meeting where he goes and gets reports and then interacts with each one of these committees, which is headed by a senior Iraqi official, either a deputy prime minister or minister; in the case of one, even the vice

president is involved in this. That's both reaching out politically to a broader group, also reaching out across the security sector to try to have a more integrated approach.

The challenge, of course, comes in the implementation, and this is complex, as you described it, and on the ground, making all those things fit together is not an easy task. The fact that he did this himself, he picked the six committees, he decided how he wanted them, he picked the individuals and he did it across sects, and he's following up -- and in spite of what are long and tiring and challenging issues and long meetings, stays committed to this -- in my mind, is a very positive sign.

Q Thank you.

STAFF: Okay. Andrew? Any follow-ups?

Q Yes. One quick one, please, Mr. Ambassador. Are the banks opening up in Anbar, mostly Ramadi and Fallujah? When I was there, we were trying to do a bank up where they were going to bring in 40 million Iraqi dinars, and at the last second, the finance minister cancelled it. It's kind of tough to have reconstruction without dinars.

AMB. SPECKHARD: Yes. I will have to get back to you because I don't know. I'll have our team here give you an answer whether that bank has been reopened back there. I do know the dinars are flowing to Anbar as opposed to maybe when you were out there a while ago.

Q Okay.

AMB. SPECKHARD: And the coalition has been helping in making sure that happens. And we have -- for security reasons, I don't want to tell it, but I've seen large amounts of cash flowing to Anbar to make sure the economic system there (is fed with ?) the monetary resources that it needs to make it function -- (inaudible) -- security issue we even have that problem here in Baghdad. The Finance minister says, okay, I'll open a bank, he opens the bank and then within 48 hours the bank is attacked by insurgent groups.

So it's not an easy thing to support and defend these things, but that's certainly something on a high priority for the U.S. mission and the government of Iraq and the coalition here; that without the banking system, you do have a real challenge in getting the economic system functioning at the local level, though.

Q Yeah, I'm not looking for specific information on how many dollars or how many dinars, how many banks. That wouldn't be good. But just over all, it's -- you know, I was thinking more of the Rafadin (ph) Bank and next to OPVA with the Marines guarding it.

AMB. SPECKHARD: Yeah. Well, what I'm being told here is the bank is not open in Ramadi yet.

Q Okay.

AMB. SPECKHARD: But the commitment to the funds is there and that they've been talking to the commander there last week. When General Petraeus was there, he talked about this. And so I think what you have here is that this isn't going to be blocked by the minister of Finance. It's an issue of making sure they got the security worked out for reopening this bank, to be able to keep this bank.

Q Excellent. Thank you.

STAFF: Okay. Gentlemen, if that's all, then, Ambassador, I appreciate you taking the time to be with us today.

AMB. SPECKHARD: You're very welcome.

STAFF: Thanks a lot.

AMB. SPECKHARD: Thanks a lot.

STAFF: Good. Thank you, sir.

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